

Texas Water Development Board

P.O. Box 13231, 1700 N. Congress Ave.
Austin, TX 78711-3231, www.twdb.texas.gov
Phone (512) 463-7847, Fax (512) 475-2053

TO: Board Members

THROUGH: Kevin Patteson, Executive Administrator

FROM: Amanda Landry, Chief Financial Officer

DATE: August 29, 2014

SUBJECT: Briefing, discussion and consider recommending the selection and approval of financial advisors, bond counsels and Sr. Manager underwriter to serve the Texas Water Development Board for the initial State Water Implementation Revenue Fund For Texas Revenue Fund Bond issuance.

ACTION REQUESTED

Authorize the Executive Administrator and the Development Fund Manager to proceed with the selection of advisors to prepare for the initial State Water Implementation Revenue Fund For Texas (SWIRFT) Revenue Bond issuance.

BACKGROUND

The Texas Water Development Board (TWDB) is authorized to issue revenue bonds associated with the SWIRFT under the Texas Constitution section 49(d)13 and Texas Water Code section 15.475.

KEY ISSUES

Early planning and preparation is necessary to ensure a successful first issuance of the SWIRFT revenue bonds. Selecting the financial advisors, bond counsels and Sr. Manager underwriter at this time provides sufficient time for coordination and creation of legal documents, bond financing structures, investor outreach and other activities.

The following firms are recommended to serve the Board in preparing for and execution of the initial SWIRFT Revenue Bond transaction.

- Financial Advisors: First Southwest Company and Estrada Hinojosa Investment Bankers
- Bond Counsel: McCall Parkhurst & Horton L.L.C and Hardwick Law Firm, LLC
- Sr. Manager Underwriter: Citigroup Capital Markets, LLC

With this selection we will designate one of the bond counsel firms to serve as disclosure counsel. In the past the Board relied upon the underwriter's counsel for disclosure preparation.

Our Mission

To provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas

Board Members

Carlos Rubinstein, Chairman | Bech Bruun, Member | Kathleen Jackson, Member
Kevin Patteson, Executive Administrator

With Board approval, staff will complete appropriate diligence, develop a timeline, engage the service providers and take other necessary steps to prepare for the issuance and sale of the bonds. Staff anticipates returning to the Board for formal authorization to issue the SWIRFT bonds. At that time, staff may also recommend additional underwriters to serve as co-managers in the bond sale. Staff will also return to the board for the adoption of the resolution and approval of the Preliminary Official Statement for any series issued under this item.

This recommendation has been reviewed by legal counsel and is within the TWDB's legal authority.

Les Trobman, General Counsel